## Remarks

Claims 1-17 are currently pending in the patent application. For the reasons and arguments set forth below, Applicant respectfully resubmits that the claimed invention is allowable over the cited references.

The Office Action dated December 8, 2006 indicated that claims 16 and 17 remain in condition for allowance; claims 7 and 8 stand rejected under Section 112(2); claims 7-8 and 11 stand rejected under 35 U.S.C. § 102(e) over Schuster *et al.* (U.S. Patent No. 6,674,745); claims 12-15 stand rejected under 35 U.S.C. § 102(e) over Vargo *et al.* (U.S. Patent No. 6,477,164); claims 1-2 and 5-6 stand rejected under 35 U.S.C. § 103(a) over Schuster '745 in view of Schuster *et al.* (U.S. Patent No. 6,954,454); claims 3-4 stand rejected under 35 U.S.C. § 103(a) over Schuster '745 and Schuster '454, further in view of Fedyk *et al.* (U.S. Patent No. 6,873,616); and claims 9-10 stand rejected under 35 U.S.C. § 103(a) over Schuster '745 in view of Fedyk.

Applicant appreciates the continued allowance of claims 16 and 17.

Applicant notes that minor amendments have been made to claims 10 and 11 to correct typographical errors in the previous response dated September, 25, 2006. The claims as amended correspond to claims 10 and 11 found in the response dated April 12, 2006.

Applicant respectfully traverses the § 112(2) rejections of claims 7 and 8 because explicit antecedent basis for claims term is not required and a § 112(2) rejection therefore is often improper. See MPEP § 2173.05(e). Applicant submits that one of skill in the art would understand that "the packet-communicating telephony endpoint devices" refers to "a plurality of packet-based telephony endpoint devices" found in claim 7 at lines 1-2, and that "the remote PSTN communications device" refers to "a remote PSTN communication device" found in claim 7 at line 12. According to MPEP § 2173.05(e), the rejection is therefore improper. Notwithstanding, in an effort to facilitate prosecution, Applicant has amended claims 7 and 8 to provided clarification regarding the above mentioned claim terminology. Therefore, Applicant requests that the Section 112(2) rejections of claims 7 and 8 be withdrawn.

Applicant respectfully traverses the Section 102(e) rejections of claims 7, 8 and 11 because the Examiner fails to cite any portion of the Schuster '745 reference that corresponds to claimed limitations directed to a first and a second endpoint device each having an audio arrangement capable of producing and receiving sound for communications (see e.g., claim 7). The Examiner appears to be confusing digital audio signals with sound, in that the Examiner asserts that "digitalized audio signals are sound" (see, e.g., the instant Office Action, page 14, lines 17-18). However, sound is mechanical vibrations transmitted through an elastic medium, for example, traveling in air at a speed of approximately 1087 ft. per second at sea level (see, e.g., www.dictionary.reference.com); whereas a digital audio signal is merely a transmission of binary numbers that represent sound. Moreover, Applicant submits that digitalized audio signals used for communications purposes are often electrical or optical signals and that such signals are not sound as is claimed.

More specifically, the Schuster '745 reference teaches that ITGs 18 and 20 transmit and receive digitized audio signals as supported by the Examiner's citations (i.e., col. 5, lines 12-26 and lines 36-57), and as further supported by the Examiner's statement that "(t)he components of the ITG transmit and receive digitized audio signals" (see, e.g., the instant Office Action, page 3, line 16). The ITGs 18 and 20 as taught by Schuster '745 do not have an audio arrangement capable of producing and receiving sound for communications as in the claimed invention. Therefore, the Section 102(e) rejections of claim 7 and claims 8 and 11 (which depend from claim 7) are improper and Applicant requests that they be withdrawn.

Applicant respectfully traverses the Section 102(e) rejections of claims 7, 8 and 11 and the Section 103(a) rejections of claims 1-6 and 9-10, all of which are based upon the Schuster '745 reference, because the ITGs taught by Schuster '745 do not correspond to the claimed endpoint devices. An endpoint device of the claimed invention transmits a signal that passes through gateways that route the signal to another endpoint device (*see, e.g.*, Applicant's Specification, page 6, line 15 to page 7, line 2). The endpoint devices have an audio arrangement for communicating with user's at the endpoint devices. Whereas a gateway is software or hardware that links two networks thereby enabling signals to be exchanged between endpoint devices. The ITGs 18 and 20 as taught by Schuster '745 act

as gateways between IP network 19 and the PSTNs 22 and 24 (see, e.g., Figure 1 and the related discussion); the ITGs function as gateways located between endpoint devices and do not operate as the source or destination of communications. When the claims are read in view of Applicant's Specification, as required by MPEP § 2173.02, one of skill in the art would recognize that Schuster '745's ITGs do not correspond to the claimed endpoint devices. Accordingly, all of the rejections based upon the Schuster '745 reference are improper and Applicant requests that they be withdrawn.

Applicant respectfully traverses the Section 102(e) rejections of claims 12-15 because the cited portions of the Vargo reference fail to correspond to all of the claimed limitations. Regarding independent claim 12 (and as relevant to the claims that depend therefrom), the Examiner fails to cite any portion of the Vargo reference that corresponds to claimed limitations directed to communicating audible signals with a user at the originating endpoint device. Applicant presented this argument in the previous response dated September, 29, 2006, which is hereby incorporated by reference. In response to this argument, the Examiner stated that "the arrows between the user 102, originating gateway 112, and originating transmux 124 are bidirectional, which implies that communication between the devices goes both ways" (see, e.g., the instant Office Action, page 15, lines 2-4). Applicant submits, that while this may be the case, it in no way addresses the claimed limitations of communicating audible signals with a user at the originating endpoint device. Thus, the Examiner's assertion that transmux 124 corresponds to the originating endpoint device of the claimed invention is improper because the Vargo reference does not teach that audible signals are communicated with a user at transmux 124.

More specifically, the Vargo reference teaches that the originating gateway 114 digitally encodes the voice data received from the originating PSTN 106 and then divides the encoded voice data into a plurality of voice packets that are transmitted to the originating transmux 124 (see, e.g., col. 4, lines 6-24). Thus, the Vargo reference teaches that the transmux 124 receives digital voice data packets as is supported by the Examiner's statement that "PSTN voice packets are digitized at gateway 114 and sent to transmux 124 to the destination end using the IP network." See, e.g., the instant Office Action, page 7, lines 4-6. As such, the Vargo reference does not teach that audible

signals are communicated with a user at the transmux 124. Accordingly, the Section 102(e) rejections of claim 12 and claims 13-15 (which depend from claim 12) are improper and Applicant requests that they be withdrawn.

Moreover, the Examiner's assertions of correspondence appear illogical when claims 12-15 are read in view of Applicant's Specification, as required by MPEP § 2173.02. For example, Applicant submits that a skilled artisan would recognize that the transmux 124 of the Vargo reference does not correspond to the claimed endpoint device as a transmux is not considered an endpoint device, and the networks shown in Applicant's Figure 1 would include transmuxes in addition to the identified endpoint devices. Therefore, the Section 102(e) rejections of claims 12-15 are improper and Applicant requests that they be withdrawn.

Applicant further traverses the Section 102(e) rejections of claims 14 and 15 because the cited portions of the Vargo reference fail to correspond to claimed limitations directed to restricting use to the plurality of other users, of a user's gateway as a remote network-terminating gateway. In an attempt to show correspondence, the Examiner cites to completely unrelated portions of the Vargo reference. The cited portions of the Vargo reference concern concatenating subpackets at the gateways and transmuxes and then sending these concatenated subpackets, in some instances after a predetermined period of time has elapsed (*see, e.g.*, col. 5, lines 5-21 and col. 6, lines 24-34). Applicant submits that Vargo's teachings relating to packet flow in no way relate to claimed limitations directed to restricting user access. Accordingly, the Section 102(e) rejections of claims 14 and 15 are improper and Applicant requests that they be withdrawn.

Dated: February 1, 2007

In view of the above discussion, Applicant believes that each of the rejections has been overcome and the application is in condition for allowance. A favorable response is requested. Should there be any remaining issues that could be readily addressed over the telephone, the Examiner is encouraged to contact the undersigned at (651) 686-6633.

Respectfully submitted,

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